(c) and (d) The industry is not providing any incentives for augmenting the construction of houses. Cement is sold by it at a common price irrespective of its use. However, the Government of India is providing incentives for promoting construction of houses in the country by providing housing loans at lower interest rates and through other fiscal incentives.

Trade agreement with South Africa

1109 SHRI C.P. THIRUNAVUKKARASU: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government propose to sign full-fledged free trade agreement with South Africa;

(b) if so, the details thereof;

(c) whether the country has free trade agreement with any other Countries at present;

(d) if so, the details thereof; and

(e) the impact of these agreements on the bilateral trade with those Countries?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY): (a) and (b) A joint Working Group has been set up to examine the proposal for a bilateral Preferential Trade Arrangement (PTA) and to prepare a draft Framework Treaty for this purpose between India and the South African Customs Union (SACU) which includes Lesotho, Botswana, Swaziland, Namibia and South Africa.

(c) and (d) A Free Trade Agreement (FTA) between India and Sri Lanka was signed on 28th December, 1998 in New Delhi. The FTA has been made operative by the issuance of Customs Notification on 1st March, 2000. The Agreement envisages phasing out of tariffs on all product, over a period of time, except for a limited number of items in the Negative List. While India would complete the process of tariff elimination over a period of 3 years, Sri Lanka would achieve this over 8 years.

(e) Such Free Trade Agreements are expected to enhance the bilateral trade and investment flows between the countries by providing better market access resulting from the exchange of tariff concessions. Since

the coming into operation of FTA between India and Sri Lanka, the growth in bilateral trade turnover is as given below:

Value in Rs. Lakhs

Sl.No.	Year	1999-2000	2000-2001	2001-2002
1.	India's total trade with Sri Lanka	235,514.76	313,006.87	333,018.83
2.	% Growth	17.90	32.90	6.39

Source: DGCI&S, Calcutta

Import of raw silk from China

1110. SHRI K. RAHMAN KHAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government are aware that the price of raw silk product in the country has fallen sharply due to unrestricted import of raw silk from China; and

(b) the reasons why Government are not banning import of raw silk or levy higher import duty and anti-dumping duty on import of raw silk from China?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY): (a) and (b) Yes, Sir. Preliminary investigations have come to the conclusion that there has been dumping of raw silk by China, which has adversely affected the price of raw silk products in the country.

The Government does not propose to introduce any restriction on imports, (necessitated by the demand supply gap of raw silk in the country and the demand of quality silk for production of silk products of international standards). Government of India *vide* Custom Notification No. 2/2003 dated 2.01.2003 has imposed anti-dumping duty equivalent to the diference between the amount of US $ 33.19 per kg. and the landed value of imported mulberry raw silk (not thrown), 2A grade and below, originating in, or exported from, Peoples' Republic of China. The said anti-dumping duty has been imposed provisionally, pending final determination.